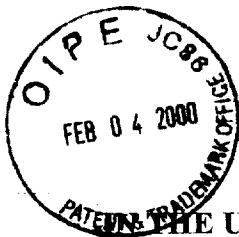


nyw
2/4/00



03-06-2000



101282594

TRADEMARK
MARK OFFICE

I hereby certify that this paper is being deposited with the
U.S. Postal Service as 1st Class Mail addressed to the
Assistant Commissioner for Trademarks, 7900 Crystal Drive,
Arlington, VA 22202-3515

on 1-28-00
Patricia D. Gorman

Assistant Commissioner for Trademarks
Washington, D. C. 20231

Watts, Hoffmann, Fisher & Heinke Co., L.P.A.
P.O. Box 99839
Cleveland, Ohio 44199-0839
Telephone: (216) 241-6700
Docket No.: 4844.1

Dear Sir:

Please record the attached original document(s) or copy thereof as follows:

Conveying Party: Vitantonio Manufacturing Company

Receiving Party: Kadee Products, Ltd.
Address: 6225 Cochran Road
Solon, Ohio 44139

Nature of Conveyance: Transfer of Collateral From Vitantonio Manufacturing Company to Kadee Products, Ltd. by Society National Bank on July 5, 1995 as a Result of Foreclosure by Society National Bank on the Collateral of Vitantonio Manufacturing Company

Date of Execution: January 14, 2000

Please record against:
Registration No(s): 712,815 and 1,555,668
Application No(s): _____
No. of Trademark(s): 2 No. of Application(s): —

A check in the amount of \$ 65.00 for the recordal fees is enclosed. Please charge any additional fees, or credit any overpayment, to deposit account 23-0630.

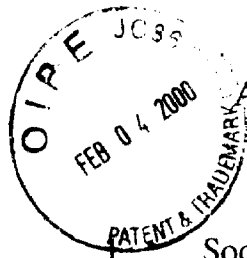
To my best knowledge and belief, the foregoing information is true and correct. Please correspond with Watts, Hoffmann, Fisher & Heinke at the above address.

Respectfully submitted,

January 28, 2000
Date

George L. Pinchak
Registration No. 37,697

TRADEMARK
REEL: 002029 FRAME: 0741



**DECLARATION OF TRANSFER OF TRADEMARKS
AND ASSOCIATED FEDERAL TRADEMARK REGISTRATIONS
FROM VITANTONIO MANUFACTURING COMPANY
TO KADEE PRODUCTS, LTD.**

1. Society National Bank, now known as KeyBank National Association, a national banking association, having a principal office located at 127 Public Square, Cleveland, Ohio ("Society") hereby states that, to Society's best knowledge, Society transferred ownership rights in the trademarks set forth in Exhibit A attached hereto and the associated U.S. Trademark Registrations, copies of which are also including in Exhibit A on or about July 5, 1995 to Kadee Products, Ltd., a limited liability company of the state of Ohio, having a principal place of business located at 6225 Cochran Road, Solon, Ohio 44139 ("Kadee") as a result of foreclosing on certain collateral owned by Victorio Company, subsequently known as Vitantonio Manufacturing Company, a corporation of the state of Ohio, having a principal place of business located at 34355 Vokes Drive, Eastlake, Ohio 44095 ("Vitantonio").

2. The foreclosure by Society on certain collateral of Vitantonio resulted from a default by Vitantonio on the repayment of loans extended by Society to Vitantonio under the terms of a Revolving Credit and Term Loan Agreement and a Security Agreement executed by Vitantonio and Society on or about July 24, 1991.

3. Attached hereto as Exhibit B are true and correct copies of the Revolving Credit and Term Loan Agreement, the Security Agreement and an Amendment to Loan Agreement executed by Vitantonio and Society on August 6, 1993. The Amendment to Loan Agreement evidences extension of the termination date of the Revolving Credit and Term Loan Agreement from April 30, 1993 to April 30, 1995 and change of corporate name from Victorio Company to Vitantonio Mfg. Co.

4. The executed Revolving Credit and Term Loan Agreement and the Security Agreement provided Society with rights to certain collateral in the event of a default of loan repayments by Vitantonio.

5. The specified collateral in the Security Agreement included the accounts receivable, inventory and equipment of Vitantonio. Society held a security interest in the specified collateral under Article 9 of the Uniform Commercial Code (UCC).

6. The definition of "account receivable" on page one of the Security Agreement includes "any ... General Intangible, ... owned, acquired, or received by a Person [Borrower]".

7. The General Intangibles owned by Vitantonio on or about July 5, 1995 included, to Society's best knowledge, the trademarks and associated U.S. Trademark Registrations set forth in Exhibit A attached hereto together with the goodwill of the business

symbolized by said trademark and said trademark registrations.

8. Society foreclosed on the collateral of Vitantonio specified in the Security Agreement on or about July 5, 1995 and transferred the collateral including, to Society's best knowledge, the trademarks and associated U.S. Trademark Registrations set forth in Exhibit A together with the goodwill of the business symbolized by said trademark and said trademark registrations, to Kaydee. Attached hereto as Exhibit C is a true and correct copy of the Bill of Sale dated July 5, 1995 transferring the collateral specified in the Security Agreement to Kaydee.

Signed at San Antonio, Texas, 1999

this 14th day of January, 1999-2000

Society National Bank, now known as KeyBank National Association

Signature: Harvey S. Kedi'ski

Name of person signing on

behalf of KeyBank National Association: Harvey S. Kedi'ski

Title: Vice President

EXHIBIT A

<u>TRADEMARKS</u>	<u>ASSOCIATED U.S. TRADEMARK REGISTRATION NOS.</u>	<u>REGISTRATION ISSUE DATE</u>
RAVIOLI CHEF	712,815	3/21/61
FIVE-OF-HEARTS	1,555,668	9/12/89

PRINCIPAL REGISTER Trademark

Ser. No. 97,063, filed May 13, 1960

RAVIOLI - CHEF

Italian Imports Company (Ohio corporation)
2251 Murray Hill Road
Cleveland, Ohio

For: COMBINATION FOOD PREPARING KIT
COMPRISING A CUTTER, MOLD, SEALER, AND
ROLLING PIN FOR USE IN MAKING ITEMS SUCH
AS RAVIOLI, DEREJE, CANAPÉS, KREPLACH,
FILLED COOKIES, AND THE LIKE, in CLASS 23.
First use Nov. 1, 1957; in commerce Dec. 1, 1957.

Renewed for 20 years from Mar. 21, 1981

COMB. AFF. SEC 8 & 15



Attest

JUN 15 1981

S. J. Bankley
Acting Officer

CERTIFIED TO BE A TRUE COPY OF THE REGISTRATION
WHICH IS IN FULL FORCE AND EFFECT, WITH NOTATION
OF ALL STATUTORY ACTIONS TAKEN THEREON, AS DIS-
CLOSED BY THE RECORDS OF THE UNITED STATES PATENT
AND TRADEMARK OFFICE. SAID RECORDS SHOW TITLE
TO BE IN: Vitantonio Mfg. Co.

Rene D. T. [Signature]
TRADEMARK

REEL: 002029 FRAME: 0745

2350

Int. Cl.: 11

Prior U.S. Cls.: 21 and 34

United States Patent and Trademark Office Reg. No. 1,555,668
Registered Sep. 12, 1989

**TRADEMARK
PRINCIPAL REGISTER**

FIVE-OF-HEARTS

VITANTONIO MANUFACTURING CO. (OHIO
CORPORATION)
34355 VOKES DRIVE
EASTLAKE, OH 44094

FIRST USE 10-1-1987; IN COMMERCE
10-1-1987.

SER. NO. 774,207, FILED 1-12-1989.

FOR: ELECTRIC WAFFLE IRONS, IN CLASS
11 (U.S. CLS. 21 AND 34).

BARBARA A. GOLD, EXAMINING ATTORNEY

FILE NO:2250 ATTY:LLH
DUE DATE:09-12-1999 (19990912)
VITANTONIO MFG /INIT:(19890912)
ACTION:52 RES PER:10 YEARS DK2
REG NBR 1555668 / 3409

FILE NO:2250 ATTY:LLH
DUE DATE:09-12-1995 (19950912)
VITANTONIO MFG /INIT:(19890912)
ACTION:52 RES PER:72 MONTHSDK2
Final Notice! 5 Yr Affidavit/ 3410

FILE NO:2250 ATTY:LLH
DUE DATE:03-12-1995 (19950312)
VITANTONIO MFG /INIT:(19890912)
ACTION:52 RES PER:66 MONTHSDK2
5 Year Affidavit Due: 09-12/ 3411

REVOLVING CREDIT AND TERM LOAN AGREEMENT

THIS AGREEMENT is made by and between the Company (as herein defined, and the Bank (as herein defined).

In consideration of the covenants and agreements contained herein, the Company and the Bank hereby mutually agree as follows:

ARTICLE I. DEFINITIONS

Section 1.1. General. Any accounting term used but not specifically defined herein shall be construed in accordance with GAAP. The definition of each agreement, document, and instrument set forth in Section 1.2 hereof shall be deemed to mean and include such agreement, document, or instrument as amended, restated, or modified from time to time.

Section 1.2. Defined Terms. As used in this Agreement:

"Affiliate Bank" shall mean any one or more bank subsidiaries (other than the Bank) of Society Corporation and its successors.

"Bank" shall mean Society National Bank, a national banking association with its main office at 800 Superior Avenue, Cleveland, Ohio 44114, and its successors and assigns.

"Cash Flow" shall mean the Company's net income after provision for all taxes including, but not limited to, taxes on net income or based on net income, plus deferred taxes and all interest, depreciation, depletion, amortization, and other non-cash expenses charged to current earnings and taken into account in the determination of such net income after taxes, but excluding distributions to the Company's Shareholders with respect to the federal, state and local income tax liability arising on account of the Company's status as a "S" Corporation within the meaning of 26 USC §1361(a)(1).

"Company" shall mean VICTORIO COMPANY an Ohio corporation, with its principal office located at 34355 Vokes Drive, Eastlake, Ohio 44095 and its successors.

"Environmental Law" means any federal, state, or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability upon a Person in connection with the use, release or disposal of any hazardous toxic or dangerous substance, waste or material.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Event of Default" shall mean any one or more of the occurrences described in ARTICLE VII hereof.

"GAAP" shall mean generally accepted accounting principles as then in effect, which shall include the official interpretations thereof by the Financial Accounting Standards Board, consistently applied.

"Guarantor" shall mean Louis A. Vitantonio.

"Indebtedness" shall mean for any Person (i) all obligations to repay borrowed money, direct or indirect, incurred, assumed, or guaranteed, (ii) all obligations for the deferred purchase price of capital assets excluding trade payables, (iii) all obligations under conditional sales or other title retention agreements, and (iv) and all lease obligations which have been or should be capitalized on the books of such Person.

"Lien" shall mean any mortgage, security interest, lien, charge, encumbrance on, pledge or deposit of, or conditional sale or other title retention agreement with respect to any property or asset.

"Loan" or "Loans" shall mean the credit to the Company extended by the Bank in accordance with Sections 2.1(a) and Section 2.2(a) hereof.

"Loan Documents" shall mean this Agreement, the Note, the Security Instruments, if any, and any other documents relating thereto.

"Margin Stock" shall have the meaning given to it under Regulation U of the Board of Governors of the Federal Reserve System, as amended from time to time.

"Multiemployer Plan" shall mean a Plan described in ERISA which covers employees of the Company and employees of any other Person, which together would be treated as a single employer for purposes of ERISA.

"Note" or "Notes" shall mean, as the case may be, either or both of (1) the promissory note in the form of Exhibit A attached hereto signed and delivered by the Company to evidence its Indebtedness to the Bank pursuant to Section 2.1 hereof (the "Credit Note") or (2) the promissory note in the form of Exhibit B signed and delivered by the Company to evidence its Indebtedness to the Bank pursuant to Section 2.2 hereof (the "Revolving Credit Note").

"Person" shall mean any natural person, corporation (which shall be deemed to include business trust), association, partnership, joint venture, political entity, or political subdivision thereof.

"Plan" shall mean any plan (other than a Multiemployer Plan) defined in ERISA in which the Company or any Subsidiary is, or has been at any time during the preceding two (2) years, an "employer" or a "substantial employer" as such terms are defined in ERISA.

"Potential Default" shall mean any condition, action, or failure to act which, with the passage of time, service of notice, or both, will constitute an Event of Default under this Agreement.

"Prime Rate" shall mean that interest rate established from time to time by the Bank as the Bank's Prime Rate, whether or not such rate is publicly announced; the Prime Rate may not be the lowest interest rate charged by Bank for commercial or other extensions of credit.

"Security Instrument(s)" shall mean the written document(s) listed in Exhibit B attached hereto, signed and delivered from time to time to the Bank in connection with Indebtedness owed by Company to the Bank.

"Subordinated Debt" shall mean Indebtedness of a Person which is subordinated, in a manner satisfactory to the Bank, to all Indebtedness owing to the Bank.

"Subsidiary" shall mean any Person of which more than fifty percent (50%) of (i) the voting stock entitling the holders thereof to elect a majority of the Board of Directors, managers, or trustees thereof, or (ii) the interest in the capital or profits of such Person, which at the time is owned or controlled, directly or indirectly, by the Company or one or more other Subsidiaries.

"Tangible Net Worth" shall mean the total assets of a Person less such Person's (i) total liabilities and (ii) the aggregate amount of all intangible assets.

"Termination Date" shall mean (i) with respect to Loans made pursuant to Section 2.1(a), April 30, 1993 and (ii) with respect to Loans made pursuant to 2.2(a), December 31, 1992, or such earlier date on which the commitment of the Bank to make the Loans pursuant to Section 2.1(a) and 2.2(a) hereof shall have been terminated pursuant to ARTICLE VIII of this Agreement.

ARTICLE II. CREDIT FACILITY

Section 2.1. Amount of Revolving Credit. The Bank hereby agrees, subject to the terms and conditions of this Agreement, to extend the following revolving credit facility to the Company:

(a) The Bank will make one or more loans to the Company from time to time on and after the date of this Agreement through and including the applicable Termination Date, in an aggregate principal amount not to exceed \$2,000,000 outstanding at any one time. The Company may borrow, repay, and reborrow such maximum amount of credit. The Company may from time to time, upon not less than ten (10) business days' prior notice made by telegraph, telex, or telephone and confirmed in a writing delivered to the Bank, terminate or reduce permanently, the commitment of the Bank to make Loans pursuant to Section 2.1(a) hereof by the amount of \$100,000 or any integral multiple thereof; provided that the Company shall immediately pay to the Bank the amount, if any, by which the aggregate principal amount of such Loans outstanding exceeds such reduced commitment of the Bank at that time. Concurrently with such reduction or termination, the Company shall pay the unpaid commitment fee that shall have accrued on the portion of such terminated or reduced commitment.

(b) Each Loan shall be made on any business day in such amount (equal to \$100,000 or an integral multiple thereof) as the Company shall request by notice to the Bank received no later than 11:00 a.m. on the date of disbursement of the requested Loan hereunder. All Loans shall be evidenced by the Credit Note, dated the date hereof. The Credit Note shall be a master note, and the principal amount of all Loans outstanding shall be evidenced by the Credit Note or any ledger or other record of the Bank, which shall be presumptive evidence of the principal owing and unpaid on the Credit Note.

(c) The Company shall repay to the Bank on the applicable Termination Date, the principal amount of all Loans evidenced by the Credit Note that are outstanding on such Termination Date.

Section 2.2. Revolving Credit Converting to a Term Loan. The Bank hereby agrees, subject to the terms and conditions of this Agreement, to extend one or more Loans to the Company:

(a) The Bank will make one or more Loans to the Company from time to time on and after the date of this Agreement through and including the applicable Termination Date, in an aggregate principal amount not to exceed \$1,000,000 outstanding at any one time. The Company may borrow, repay, and reborrow such Loans. The Company may at any time or from time to time, upon not less than ten (10) business days' prior notice made by telegraph, telex or telephone and confirmed in a writing delivered to the Bank, terminate or reduce permanently the commitment of the Bank to make Loans pursuant to Section 2.2(a) hereof by the amount of \$100,000 or any integral multiple thereof; provided that the Company shall immediately pay to the Bank the amount, if any, by which the aggregate principal amount of such Loans outstanding exceeds such reduced commitment of the Bank at that time. Concurrently with such reduction or termination, the Company shall pay the unpaid commitment fee that shall have accrued on the portion of such terminated or reduced commitment.

(b) Each Loan shall be made on any business day and in such amount (equal to \$100,000 or an integral multiple thereof) as the Company shall request by notice to the Bank received no later than 11:00 a.m. on the date of disbursement of the requested Loan hereunder. All Loans shall be evidenced by the Revolving Credit Note, dated the date hereof. The Revolving Credit Note shall be a master note, and the principal amount of all Loans outstanding shall be evidenced by the Revolving Credit Note or any ledger or other record of the Bank, which shall be presumptive evidence of the principal owing and unpaid on the Revolving Credit Note.

(c) The Company shall repay to the Bank all Loans made pursuant to this Section 2.2 and outstanding on the applicable Termination Date in sixty (60) consecutive monthly installments, each of which shall be in the amount of \$16,667, starting on February 1, 1993, and continuing on the same day of each month thereafter until January 1, 1998, or the earlier acceleration of the maturity of the Revolving Credit Note in accordance with ARTICLE VIII hereof, when any remaining principal balance shall be due and payable.

Section 2.3. Interest Rate. Revolving Credit Loan.

Each Loan made pursuant to Section 2.1 hereof shall bear interest at a rate per annum equal to one quarter percent (1/4%) in excess of the Prime Rate. In the event of any change in the Prime Rate, the rate of interest upon such Loan shall be adjusted to immediately correspond with such change, except such interest rate shall not exceed the highest rate permitted by law.

Section 2.4. Interest Rate. Revolving Credit Loan converting to a Term Loan.

Each Loan made pursuant to Section 2.2 hereof, shall bear interest (i) prior to the applicable Termination Date at a rate per annum equal to one quarter percent (1/4%) in excess of the Prime Rate, and (ii) on and after the applicable Termination Date, at a rate per annum equal to one half percent (1/2%) in excess of the Prime Rate. In the event of any change in the Prime Rate, the rate of interest upon such Loan shall be adjusted to immediately correspond with such change, except such interest rate shall not exceed the highest rate permitted by law.

Section 2.5. Default Rate. Whenever the unpaid principal amount of all Loans made pursuant to Sections 2.1 and 2.2 hereof, and accrued interest thereon, or any fees or any and other sum payable hereunder, shall become due and payable and remain unpaid (whether by acceleration or otherwise), the amount thereof shall thereafter until paid in full bear interest at a rate per annum equal to the greater of: two percent (2%) in excess of the rate of interest in effect prior to the Event of Default or two percent (2%) in excess of the Prime Rate in effect from time to time, which rate shall be adjusted in the manner described in Sections 2.3 and 2.4 above.

Section 2.6. Interest Payments. Revolving Credit Loan. The Company shall pay to the Bank interest on the unpaid principal balance of all Loans made pursuant to Section 2.1 hereof, at the rates and in the amount calculated in accordance with Section 2.3 above, starting on September 1, 1991, and continuing on the same day of each month, thereafter and at maturity.

Section 2.7. Interest Payments, Revolving Credit Loan Converting to Term Loan. The Company shall pay to the Bank interest on the unpaid principal balance of all Loans made pursuant to Section 2.2 hereof, at the rates and in the amount calculated in accordance with Section 2.4 above, starting on September 1, 1991, and continuing on the same day of each month, until maturity.

Section 2.8. Prepayment. The Company may prepay, the Loan(s) in whole, or in part at any time or times without penalty.

Section 2.9. Use of Proceeds. The Loans made pursuant to Section 2.1 hereof shall be used for working capital, the issuance of sight and time import letters of credit and to refinance existing Debt. The Loans made pursuant to Section 2.2 hereof shall be used for payment of existing debt and to purchase tooling, molds, equipment and fixtures to support plant and product expansion. Any excess proceeds shall be used by the Company for general operating purposes consistent with the provisions of this Agreement.

Section 2.10. Fees. The Company shall pay to the Bank:

(a) A commitment fee computed at a rate three-eighths of one percent ($3/8$ of 1%) per annum (calculated on the basis of a year of 360 days for the actual number of days elapsed) on the average daily unused amount of the commitment of the Bank to make the Loans in accordance with Section 2.1(a) hereof during the period from the date of this Agreement to the applicable Termination Date, payable starting on September 1, 1991, and continuing on each interest payment date determined in accordance with Section 2.3 hereof, and on the applicable Termination Date, with respect to the portion of such preceding period as to which such fee has accrued and remains unpaid.

(b) A commitment fee computed at a rate three-eighths of one percent ($3/8$ of 1%) per annum (calculated on the basis of a year of 360 days for the actual number of days elapsed) on the average daily unused amount of the commitment of the Bank to make the Loans in accordance with Section 2.2(a) hereof during the period from the date of this Agreement to the applicable Termination Date, payable starting on September 1, 1991, and continuing on each interest payment date determined in accordance with Section 2.4 hereof, and on the applicable Termination Date, with respect to the portion of such preceding period as to which such fee has accrued and remains unpaid.

(c) A facility fee equal to \$7,500, payable on the date of execution of this Agreement.

Section 2.7 Computation of Interest and Fees. Interest on Loans shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed. Interest on unpaid fees and the Prepayment Premium, if any, hereunder shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed.

ARTICLE III. WARRANTIES

The Company represents and warrants to the Bank (which representations and warranties will survive the delivery of the Note and all extensions of credit under this Agreement) that:

Section 3.1. Organization; Corporate Power.

(a) The Company is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is incorporated;

(b) The Company has the corporate power and authority to own its properties and assets and to carry on its business as now being conducted;

(c) The Company is qualified to do business in every jurisdiction in which the ownership or leasing of its property or the doing of business requires such qualification;

(d) The Company has the corporate power to execute, deliver, and perform its Loan Documents and to borrow hereunder.

Section 3.2. Authorization of Borrowing. The execution, delivery, and performance of the Loan Documents and the Loans by the Company have been duly authorized by all requisite corporate action.

Section 3.3. No Conflict. The execution, delivery, and performance of the Loan Documents will not (a) violate any provision of law, the Articles of Incorporation, the Code of Regulations, or By-Laws of the Company, (b) violate any order of any court or other agency of any federal or state government or any provision of any indenture, agreement, or other instrument to which the Company is a party or by which it or any of its properties or assets are bound, (c) conflict with, result in a breach of, or constitute (with passage of time or delivery of notice, or both), a default under any such indenture, agreement, or other instrument, or (d) result in the creation or imposition of any Lien or other encumbrance of any nature whatsoever upon any of the properties or assets of the Company except in favor of the Bank.

Section 3.4. Execution of Loan Documents. The Loan Documents have been duly executed and are valid and binding obligations of the Company fully enforceable in accordance with their respective terms.

Section 3.5. Financial Condition. The Company has furnished to the Bank true and correct financial statements prepared by a certified public accountant as of the end of the Company's fiscal year which ended December 31, 1990, which reviewed financial statements present fairly the Company's financial condition at such date, and there has been no material adverse change in the Company's financial condition since that date.

Section 3.6. Liabilities; Liens. The Company has made no investment in, advance to, or guarantee of, the obligations of any Person nor are the Company's assets and properties subject to any claims, liabilities, Liens, or other encumbrances, except as disclosed in the financial statements and related notes thereto referred to in Section 3.5 hereof and any credit extended by the Bank.

Section 3.7. Litigation. There is no action, suit, examination, review, or proceeding by or before any governmental instrumentality or agency now pending or, to the knowledge of the Company, threatened against the Company or against any property or rights of the Company, which, if adversely determined, would materially impair the right of the Company to carry on business as now being conducted or which would materially adversely affect the financial condition of the Company, except for the litigation, if any,

compliance with
local health and
safety that any
adverse effect on
conditions under

3.8. Payment of Taxes. The Company has filed, or caused to be filed, federal, state, local, and foreign tax returns required to be filed, or caused to be filed, all taxes as are shown on such returns, or any assessment received by the Company, to the extent that such taxes are due, except as otherwise contested in good faith. The Company has reported the proper amounts on its books, determined in accordance with GAAP, for the payment of all taxes for the years that have not been audited by the tax authorities or for taxes being contested by the Company.

make a Loan
unless waived in
writing incident to the
form and substance,
certified by an
attorney, and
adversely rely
on the certifying (1)
contemplated

3.9. Agreements. The Company is not in default in the observance, or fulfillment of any of the obligations, covenants, or agreements contained in any agreement or instrument to which it is a party, insofar as such agreement or instrument materially adversely affects the business, properties, assets, or financial condition of the Company.

any's
other documents
executed on behalf
of all blanks
Company; (d)

3.10. Regulatory Status. Neither the making nor the performance of this Agreement, nor any extension of credit hereunder, requires the consent, or approval of any governmental instrumentality or political authority, or any other regulatory or administrative agency, or any other competent jurisdiction.

payable in
which have received
satisfactory
credit rating
the Bank may
instructions by
loan; (g) the
of all parties
Company's
and substance
sufficient
the Bank as
the Bank shall
attached

3.11. Federal Reserve Regulations: Use of Loan Proceeds. The Company is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans will be used, directly or indirectly, for a purpose which violates any law, rule or regulation of any governmental body, including without limitation the provisions of Regulation T, C, U, or X of the Board of Governors of the Federal Reserve System, as amended. No part of the proceeds of the Loans will be used, directly or indirectly, to purchase or carry any Margin Stock or to extend credit for others for the purpose of purchasing or carrying any Margin Stock. Not more than 25 percent of the application of the proceeds of each Loan, not more than 25 percent of the assets of the Company and its Subsidiaries on a consolidated basis will be Margin Stock.

any Loan
subject to
of such Loan,
of Default
Loan and
when made.

3.12. Subsidiaries. The Company has no Subsidiaries.

3.13. Licenses. The Company has all licenses, franchises, permits, approvals, or authorizations required in connection with the conduct of the business of the Company, the absence of which would have a material adverse effect on the conduct of the Company's business, and all such licenses, franchises, consents, approvals, and authorizations are in full force and effect.

all of and

3.14. ERISA. The Company does not maintain, sponsor, or administer any Plan or Multiemployer Plan insured, or required to be insured, by the Pension Benefit Guaranty Corporation.

Section 3.15. Environmental Matters. The Company is in compliance with all Environmental Laws and all applicable federal, state and local health and safety laws, regulations, ordinances or rules, except to the extent that any non-compliance will not, in the aggregate, have a materially adverse effect on the Company or the ability of the Company to fulfill its obligations under this Agreement or the Note.

ARTICLE IV. CONDITIONS OF LENDING

Section 4.1. First Loan. The obligation of the Bank to make a Loan shall be subject to satisfaction of the following conditions, unless waived in writing by the Bank: (a) all legal matters and Loan Documents incident to the transactions contemplated hereby shall be satisfactory, in form and substance to Bank's counsel; (b) the Bank shall have received (i) certificates by an authorized officer of the Company, upon which the Bank may conclusively rely until superseded by similar certificates delivered to the Bank, certifying all requisite action taken in connection with the transactions contemplated hereby and (2) the names, signatures, and authority of the Company's authorized signers executing the Loan Documents, and (ii) such other document as the Bank may reasonably require to be executed by, or delivered on behalf of, the Company; (c) the Bank shall have received the Note with all blanks appropriately completed, executed by an authorized signer of the Company; (d) the Company shall have paid to the Bank the fee(s) then due and payable in accordance with ARTICLE II of this Agreement; (e) the Bank shall have received the written opinion of legal counsel selected by the Company and satisfactory to the Bank, dated the date of this Agreement, in the form of Exhibit D attached to this Agreement, and covering such other matter(s) as the Bank may reasonably require; (f) the Bank shall have received written instructions by the Company with respect to disbursement of the proceeds of the Loan; (g) the Bank shall have received all Security Instruments duly executed by all parties thereto; (h) the Bank shall have received an audit report of the Company's account receivable and inventory ledgers and procedures, in form and substance acceptable to Bank; (i) the Bank shall have received evidence of sufficient fire and hazard insurance described in Section 5.2 hereof, naming the Bank as a Loss payee, all in form and substance acceptable to Bank; (j) the Bank shall have received the Subordination Agreement described in Exhibit "C" attached hereto.

Section 4.2. Each Loan. The obligation of the Bank to make any Loan shall be subject to compliance with Section 4.1 herein and also subject to satisfaction of the following conditions that at the date of making such Loan, and after giving effect thereto: (a) no Event of Default or Potential Default shall have occurred and be then continuing and (b) each representation and warranty set forth in ARTICLE III above is true and correct as if then made.

ARTICLE V. AFFIRMATIVE COVENANTS

As long as credit is available hereunder or until all principal of and interest on the Note have been paid in full:

Section 5.1. Accounting; Financial Statements and Other Information.

The Company will maintain a standard system of accounting, established and administered in accordance with GAAP consistently followed throughout the periods involved, and will set aside on its books for each fiscal quarter the proper amounts or accruals for depreciation, obsolescence, amortization, bad debts, current and deferred taxes, prepaid expenses, and for other purposes as shall be required by GAAP. The Company will deliver to the Bank:

(a) As soon as practicable after the end of each fiscal quarter in each year, except the last, and in any event within forty-five (45) days thereafter, a balance sheet of the Company as of the end of such quarter, and statements of cash flows, changes in financial position, and shareholders' equity of the Company for such quarter, and including an accounts receivable aging report, all certified as complete and correct by the principal financial officer of the Company, subject to changes resulting from year-end adjustments;

(b) As soon as practicable after the end of each fiscal year, and in any event within ninety (90) days thereafter, a reviewed balance sheet of the Company as of the end of such year, and statements of cash flows, changes in financial position, and shareholders' equity of the Company for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared by independent certified public accountants ("CPA") of recognized standing, selected by the Company and satisfactory to the Bank, which financial statements shall be prepared in accordance with GAAP. Notwithstanding the next preceding sentence, pursuant to Section 7.3 hereof, in the event of failure to perform or observe any covenant or agreement contained in this Agreement, then in such event, in addition to (and not in lieu of) any and all other remedies available to Bank pursuant to the terms hereof, Borrower shall, upon notice from Bank, provide Bank with an annual audited financial statement setting forth in comparative form the figures for the previous fiscal year, all in reasonable detail and accompanied by a report and any unqualified opinion of such CPA which report and opinion shall be prepared in accordance with GAAP.

(c) Together with each set of financial statements required by subparagraph (a) above, a certificate by the chief financial officer or other authorized officer of the Company stating whether or not there exists any Event of Default or Potential Default, specifying the nature and period of existence thereof and what action, if any, the Company is taking or proposes to take with respect thereto;

(d) With reasonable promptness, such other data and information as from time to time may be reasonably requested by the Bank.

Section 5.2. Insurance; Maintenance of Properties. The Company will maintain with financially sound and reputable insurers, insurance with coverage and limits as may be required by law or as may be reasonably required by the Bank. The Company will, upon request from time to time, furnish to the Bank a schedule of all insurance carried by it, setting forth in detail the amount and type of such insurance. The Company will maintain, in good repair,

working order, and condition, all properties used or useful in the business; and the Company.

Section 5.3. Existence; Business. The Company will cause to be done all things necessary to preserve and keep in full force and effect its existence and rights, to conduct its business in a prudent manner, to maintain in full force and effect, and renew from time to time, its franchises, permits, licenses, patents, and trademarks that are necessary to operate its business. The Company will comply in all material respects with all valid laws and regulations now in effect or hereafter promulgated by any properly constituted governmental authority having jurisdiction; provided, however, the Company shall not be required to comply with any law or regulation which it is contesting in good faith by appropriate proceedings as long as either the effect of such law or regulation is stayed pending the resolution of such proceedings or the effect of not complying with such law or regulation is not to jeopardize any franchise, license, permit patent, or trademark necessary to conduct the Company's business.

Section 5.4. Payment of Taxes. The Company will pay all taxes, assessments, and other governmental charges levied upon any of its properties or assets or in respect of its franchises, business, income, or profits before the same become delinquent, except that no such taxes, assessments, or other charges need be paid if contested by the Company in good faith and by appropriate proceedings promptly initiated and diligently conducted and if the Company has set aside proper amounts, determined in accordance with GAAP, for the payment of all such taxes, charges, and assessments.

Section 5.5. Litigation; Adverse Changes. The Company will promptly notify the Bank in writing of (a) any future event which, if it had existed on the date of this Agreement, would have required qualification of the representations and warranties set forth in ARTICLE III hereof and (b) any material adverse change in the condition, business, or prospects, financial or otherwise, of the Company.

Section 5.6. Notice of Default. The Company will promptly notify the Bank of any Event of Default or Potential Default hereunder and any demands made upon the Company by any Person for the acceleration and immediate payment of any Indebtedness owed to such Person.

Section 5.7. Inspection. The Company will make available for inspection by duly authorized representatives of the Bank, or its designated agent, the Company's books, records, and properties when reasonably requested to do so, and will furnish the Bank such information regarding its business affairs and financial condition within a reasonable time after written request therefor.

Section 5.8. Environmental Matters. The Company:

- (a) Shall comply with all Environmental Laws.
- (b) Shall deliver promptly to Bank (i) copies of any documents received from the United States Environmental Protection Agency or

any state, county or municipal environmental or health agency, and (ii) copies of any documents submitted by Company or any of its Subsidiaries to the United States Environmental Protection Agency or any state, county or municipal environmental or health agency concerning its operations.

ARTICLE VI. NEGATIVE COVENANTS

As long as credit is available hereunder or until all principal of and interest on the Note have been paid in full:

Section 6.1. Sale or Purchase of Assets. The Company will not, directly or indirectly, (a) purchase, lease, or otherwise acquire any assets except in the ordinary course of business or as otherwise permitted by any provision of this Agreement or (b) sell, lease, transfer, or otherwise dispose of any plant or any manufacturing facility or other assets except for (i) assets sold for full and adequate consideration which the Board of Directors or senior management of the Company has determined to be worn out, obsolete, or no longer needed or useful in its business and (ii) assets sold in the ordinary course of business provided that the Company receives full and adequate consideration in exchange for such assets sold.

Section 6.2. Liens. The Company will not directly or indirectly, create, incur, assume, or permit to exist any Lien with respect to any property or asset of the Company now owned or hereafter acquired other than:

(a) Liens for taxes or governmental assessments, charges, or levies the payment of which is not at the time required by Section 5.4 hereof;

(b) Liens imposed by law, such as Liens of landlords, carriers, warehousemen, mechanics, and materialmen arising in the ordinary course of business for sums not yet due or being contested by appropriate proceedings promptly initiated and diligently conducted, provided the Company has set aside proper amounts, determined in accordance with GAAP, for the payment of all such Liens;

(c) Liens incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance, and other types of social security, or to secure the performance of tenders, statutory obligations, and surety and appeal bonds, or to secure the performance and return of money bonds and other similar obligations, but excluding Indebtedness;

(d) Liens in respect of judgments or awards with respect to which the Company shall, in good faith, be prosecuting an appeal or proceeding for review and with respect to which a stay of execution upon such appeal or proceeding for review shall have been obtained;

(e) Liens that secure the Company's Indebtedness for the purchase price of any real or personal property and that only encumber the property purchased; provided the aggregate amount of all such purchase money Liens shall not exceed an aggregate amount outstanding at any time of \$200,000.00;

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(f) Liens in favor of the Bank or any Affiliate Bank.

Section 6.3. Indebtedness. The Company will not, directly or indirectly, create, incur, or assume Indebtedness, or otherwise become liable with respect to, any Indebtedness other than:

(a) Indebtedness now or hereafter payable, directly or indirectly, by the Company to the Bank or any Affiliate Bank;

(b) Subordinated Debt of the Company;

(c) To the extent permitted by this Agreement, Indebtedness for the purchase price of any real or personal property, which is secured only by a Lien on the property purchased;

(d) Unsecured current Indebtedness and deferred liabilities (other than for borrowed money or represented by bonds, notes, or other securities) incurred in the ordinary course of business;

(e) Indebtedness for taxes, assessments, governmental charges, liens, or similar claims to the extent not yet due and payable.

Section 6.4. Investments; Loans. The Company will not, directly or indirectly, (a) purchase or otherwise acquire or own any stock or other securities of any other Person or (b) make or permit to be outstanding any loan or advance (other than trade advances in the ordinary course of business) or enter into any arrangement to provide funds or credit, to any other Person, except that the Company may purchase or otherwise acquire and own marketable U.S. Treasury and Agency obligations, and certificates of deposit and bankers' acceptances issued or created by any domestic commercial bank.

Section 6.5. Guaranties. The Company will not guarantee, directly or indirectly, or otherwise become surety (including, without limitation, liability by way of agreement, contingent or otherwise, to purchase, to provide funds for payment, to supply funds to, or otherwise invest in, any Person, or enter into any working capital maintenance or similar agreement) in respect of any obligation or Indebtedness of any other Person, except guaranties by endorsement of negotiable instruments for deposit, collection or similar transactions in the ordinary course of business or guaranties in favor of Bank.

Section 6.6. Mergers; Consolidation. The Company will not merge or consolidate with any Person or sell, assign, lease, or otherwise dispose of (whether in one transaction or in a series of transactions), all or substantially all of its assets (whether now owned or hereafter acquired) to any Person.

Section 6.7. Working Capital. The Company will not permit the ratio of its current assets to its current liabilities, calculated at the same point in time, to be at any time less than 2.00 to 1.00.

Section 6.8. Tangible Net Worth. The Company will not permit the aggregate of its Tangible Net Worth plus Subordinated Debt to be less than \$1,500,000 at any time during the period commencing from the date hereof through and including December 30, 1991; \$1,950,000 at any time during the period commencing from December 31, 1991 through and including December 30, 1992; and \$2,150,000 at any time during the period commencing December 31, 1992 and thereafter.

Section 6.9. Capitalized Expenditures. The Company will not make in any fiscal year capitalized expenditures or contracts for capital expenditures, including capitalized leases which are capitalized on the books of the Company, aggregating an amount in excess of the Company's depreciation as reflected in the Company's financial statements for its next preceding fiscal year unless such expenditures are financed by Bank.

Section 6.10. Subordinated Debt. The Company will not make any payment upon its outstanding Subordinated Debt, except in such manner and amounts as may be expressly authorized in any subordination agreement presently or hereafter held by the Bank.

Section 6.11. Ratio of Total Liabilities to Tangible Net Worth. The Company will not permit the ratio of its total liabilities less Subordinated Debt to the sum of its Tangible Net Worth plus total Subordinated Debt, calculated at the same point in time, to be at any time more than 2.25 to 1.00, commencing from the date hereof through and including December 30, 1992 and 2.00 to 1.00 on December 31, 1992 and thereafter.

Section 6.12. Cash Flow. The Company will not permit the ratio of the Company's Cash Flow to the sum of the Company's principal and interest payments, calculated at the same point in time, to be at any time, less than 1.50 to 1.00.

ARTICLE VII: EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall constitute an Event of Default under this Agreement:

Section 7.1. Principal or Interest. If the Company fails to pay any installment of principal or interest on the Note or any other sums of money when due and payable under this Agreement; or

Section 7.2. Misrepresentation. If any representation or warranty made herein by the Company or in any written statement, certificate, report, or financial statement at any time furnished by, or on behalf of, the Company in connection herewith, is incorrect or misleading in any material respect when made; or

Section 7.3. Failure of Performance of this Agreement. If the Company fails to perform or observe any covenant or agreement contained in this Agreement, other than any sums of money payable hereunder, and such failure remains unremedied for thirty (30) calendar days after the Bank shall have given written notice thereof to the Company; or

Section 7.4. Cross-Default. If the Company (or any Guarantor) (a) fails to pay any Indebtedness (other than as evidenced by the Note) owing by the Company (or such Guarantor) when due, whether at maturity, by acceleration, or otherwise or (b) fails to perform any term, covenant, or agreement on its part to be performed under any agreement or instrument (other than the Loan Documents) evidencing, securing, or relating to such Indebtedness when required to be performed, or is otherwise in default thereunder, if the effect of such failure is to accelerate, or to permit the holder(s) of such Indebtedness or the trustee(s) under any such agreement or instrument to accelerate, the maturity of such Indebtedness, whether or not such failure shall be waived by such holder(s) or trustee(s); or

Section 7.5. Event of Default Under Any Security Instrument. If an event of default occurs (with passage of time or service of notice, or both) and is continuing under the terms of any Security Instrument; or

Section 7.6. ERISA. If the Company at anytime hereafter sponsors or establishes any Plan, and the Company (a) fails to notify the Bank in writing of such occurrence within ten (10) days after such Plan is authorized by the Board of Directors or otherwise by the Company or (b) fails to agree within a reasonable time to such amendments to this Agreement regarding provisions with respect to ERISA as the Bank customarily uses at that time in loan agreement with other borrowers; or

Section 7.7. Insolvency. If the Company (or any Guarantor) (a) is adjudicated a bankrupt or insolvent under any law of any existing jurisdiction, domestic or foreign, or ceases, is unable, or admits in writing its inability, to pay its debts generally as they mature, or makes a general assignment for the benefit of creditors, (b) applies for, or consents to, the appointment of any receiver, trustee, or similar officer for it or for any substantial part of its property, or any such receiver, trustee, or similar officer is appointed without the application or consent of the Company (or such Guarantor), and such appointment continues thereafter undischarged for a period of thirty (30) days, (c) institutes, or consents to the institution of any bankruptcy, insolvency, reorganization, arrangement, readjustment or debt, dissolution, liquidation, or similar proceeding relating to it under the laws of any jurisdiction, (d) any such proceeding is instituted against the Company (or such Guarantor) and remains thereafter undismissed for a period of thirty (30) days, or (e) any judgment, writ, warrant of attachment or execution, or similar process is issued or levied against a substantial part of the property of the Company or any Subsidiary (or Guarantor) and such judgment, writ, or similar process is not effectively stayed within thirty (30) days after its issue or levy.

ARTICLE VIII. REMEDIES UPON DEFAULT

Section 8.1. Optional Acceleration. In the event that one or more of the Events of Default set forth in Sections 7.1 through 7.6 above occurs and continues and is not waived by the Bank, then, in any such event, and at any time thereafter, the Bank may, at its option, terminate its commitment to make any Loan and declare the unpaid principal of, all accrued interest on, and Prepayment Premium, if any, in respect of, the Note, and any other liabilities

hereunder, and all other Indebtedness of the Company to the Bank forthwith due and payable, whereupon the same will forthwith become due and payable without presentment, demand, protest, or other notice of any kind, all of which the Company hereby expressly waives, anything contained herein or in the Note to the contrary notwithstanding.

Section 8.2. Automatic Acceleration. Upon the happening of an Event of Default referred to in Section 7.7 above, the unpaid principal of, all accrued interest on, and Prepayment Premium, if any, in respect of, the Note, and all other Indebtedness of the Company to the Bank then existing will thereupon become immediately due and payable in full and the commitment, if any, of the Bank to make any Loan, if not previously terminated, will thereupon immediately terminate without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived by the Company, anything contained herein or in the Note to the contrary notwithstanding.

Section 8.3. Right of Set Off; Security. Upon the occurrence and continuation of an Event of Default, the Bank has the right, in addition to all other rights and remedies available to it, to set off the unpaid balance of the Note and any other Indebtedness payable to the Bank held by it against any debt owing to the Company by the Bank or by any Affiliate Bank, including, without limitation, any obligation under a repurchase agreement or any funds held at anytime by the Bank or any Affiliate Bank, whether collected or in the process of collection, or in any time or demand deposit account maintained by the Company at, or evidenced by any certificate of deposit issued by, the Bank or any Affiliate Bank. The Company hereby grants, pledges, and assigns to the Bank a security interest in, or lien upon, all cash, negotiable instruments, securities, deposit accounts, and other cash equivalents, whether collected or in the process of collection, whether matured or unmatured, now or hereafter in the possession of the Bank or any Affiliate Bank and upon which the Company has or may hereafter have any claim. The Company acknowledges and agrees that all of the foregoing shall constitute "cash collateral" for purposes of this Agreement. The Company agrees, to the fullest extent it may effectively do so under applicable law, that any holder of a participation in the Note may exercise rights of set-off or counterclaim and other rights with respect to such participation as fully as if such holder of a participation were a direct creditor of the Company pursuant to this Agreement in the amount of such participation.

Section 8.4. No Waiver. The remedies in this ARTICLE VIII are in addition to, not in limitation of, any other right, power, privilege, or remedy, either in law, in equity, or otherwise, to which the Bank may be entitled. No failure or delay on the part of the Bank in exercising any right, power, or remedy will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right hereunder.

ARTICLE IX. MISCELLANEOUS

Section 9.1. Amendments. No waiver of any provision of this Agreement or the Note, or consent to departure therefrom, is effective unless in writing and signed by the Bank. No such consent or waiver extends beyond the

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particular case and purpose involved. No amendment to this Agreement is effective unless in writing and signed by the Company and the Bank.

Section 9.2. Expenses; Documentary Taxes. The Company shall pay (a) all out-of-pocket expenses of the Bank, including fees and disbursements of special counsel for the Bank, in connection with the preparation of this Agreement, any waiver or consent hereunder or any amendment hereof or any Event of Default hereunder and (b) if an Event of Default or Potential Default occurs, all out-of-pocket expenses incurred by the Bank, including reasonable fees and disbursements of counsel, in connection with such Event of Default or Potential Default and collection and other enforcement proceedings resulting therefrom. The Company shall reimburse the Bank for its payment of all transfer taxes, documentary taxes, assessments, or charges made by any governmental authority by reason of the execution and delivery of this Agreement or the Note.

Section 9.3. Indemnification. The Company shall indemnify and hold the Bank harmless against any and all liabilities, losses, damages, costs, and expenses of any kind (including, without limitation, the reasonable fees and disbursements of counsel in connection with any investigative, administrative or judicial proceeding, whether or not the Bank shall be designated a party thereto) which may be incurred by the Bank relating to or arising out of this Agreement or any actual or proposed use of proceeds of any loan hereunder; provided, that the Bank shall have no right to be indemnified hereunder for its own bad faith or willful misconduct as determined by a court of competent jurisdiction.

Section 9.4. Construction. This Agreement and the Note will be governed by and construed in accordance with the laws of the State of Ohio.

Section 9.5. Extension of Time. Whenever any payment hereunder or under the Note becomes due on a date which the Bank is not open for the transaction of business, such payment will be due on the next succeeding business day and such extension of time will be included in computing interest in connection with such payment.

Section 9.6. Notices. All written notices, requests, or other communications herein provided for must be addressed:

to the Company as follows:

34355 Vokes Drive
Eastlake, Ohio 44095
Attn: Louis A. Vitantonio

to the Bank as follows:

Society National Bank
800 Superior Avenue
Cleveland, Ohio 44114
Attn: Manager, Corporate Banking Group

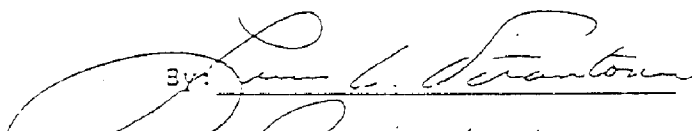
or at such other address as either party may designate to the other in writing. Such communication will be effective (i) if by telex, when such telex is transmitted and the appropriate answerback is received, (ii) if given by mail, 72 hours after such communication is deposited in the U.S. mail certified mail return receipt requested, or (iii) if given by other means, when delivered at the address specified in this Section 9.6.

Section 9.7. Survival of Agreements. All agreements, representations, and warranties made in this Agreement will survive the making of the extension of credit hereunder, and will bind and inure to the benefit of the Company and the Bank, and their respective successors and assigns.


Section 9.8. Severability. If any provision of this Agreement or the Note, or any action taken hereunder, or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement or the Note, each of which shall be construed and enforced without reference to such illegal or invalid portion and shall be deemed to be effective or taken in the manner and to the full extent permitted by law.

IN WITNESS WHEREOF, the Company and the Bank have each caused this Agreement to be executed by their duly authorized officers this 24th day of July, 1991.

COMPANY: VICTORIO COMPANY

By: 
Title: President

BANK: SOCIETY NATIONAL BANK

By: 
Title: Banking Officer

CREDIT NOTE

\$2,000,000

July 24, 1991

For value received, VICTORIO COMPANY (the "Company") promises to pay to the order of SOCIETY NATIONAL BANK, Cleveland, Ohio, (the "Bank"), its successor and assigns, at its main office, on the date or dates and in the manner specified in ARTICLE II of the Loan Agreement (as defined below), the aggregate principal amount of the Loan or Loans as shown on any ledger or other record of the Bank, which shall be rebuttably presumptive evidence of the principal amount owing and unpaid on this Note.

The Company promises to pay to the order of the Bank interest on the unpaid principal amount of each Loan made pursuant to the Loan Agreement from the date of such Loan until such principal amount is paid in full at such interest rate(s) and at such times as are specified in ARTICLE II, Section 2.1 of the Loan Agreement.

This Note is the Credit Note referred to in, and is entitled to the benefits of, the Revolving Credit and Term Loan Agreement by and between the Bank and the Company dated July 24, 1991, as the same may be hereafter amended from time to time (the "Loan Agreement"). This Note may be declared forthwith due and payable in the manner and with the effect provided in the Loan Agreement, which contains provisions for acceleration of the maturity hereof upon the happening of any Event of Default and also for prepayment on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

Each defined term used in this Note shall have the meaning ascribed thereto in Section 1.2 of the Loan Agreement.

The Company expressly waives presentment, demand, protest, and notice of dishonor.

The Company authorizes any attorney-at-law to appear in any court of record in the State of Ohio or any other state or territory in the United States after this Note becomes due, whether by lapse of time or acceleration waive the issuance and service of process, admit the maturity of this Note, confess judgment against the Company in favor of any holder of this Note for the amount then appearing due hereon together with interest thereon and costs of suit, and thereupon release all errors and waive all rights of appeal and stay of execution. The foregoing warrant of attorney shall survive any judgment, and if any judgment be vacated for any reason, the holder hereof nevertheless may thereafter use the foregoing warrant of attorney to obtain any additional judgment or judgments against the Company.

The Company acknowledges that this Note was signed in _____
County, in the State of Ohio.

WARNING - BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

COMPANY: VICTORIO COMPANY

By: _____

Title: _____

REVOLVING CREDIT NOTE

\$1,000,000

July 24, 1991

For value received, VICTORIO COMPANY (the "Company") promises to pay to the order of SOCIETY NATIONAL BANK, Cleveland, Ohio, (the "Bank"), its successor and assigns, at its main office, on the date or dates and in the manner specified in ARTICLE II of the Loan Agreement (as defined below), the aggregate principal amount of the Loan or Loans as shown on any ledger or other record of the Bank, which shall be rebuttably presumptive evidence of the principal amount owing and unpaid on this Note.

The Company promises to pay to the order of the Bank interest on the unpaid principal amount of each Loan made pursuant to the Loan Agreement from the date of such Loan until such principal amount is paid in full at such interest rate(s) and at such times as are specified in ARTICLE II, Section 2.2 of the Loan Agreement.

This Note is the Revolving Credit Note referred to in, and is entitled to the benefits of, the Revolving Credit and Term Loan Agreement by and between the Bank and the Company dated July 24, 1991, as the same may be hereafter amended from time to time (the "Loan Agreement"). This Note may be declared forthwith due and payable in the manner and with the effect provided in the Loan Agreement, which contains provisions for acceleration of the maturity hereof upon the happening of any Event of Default and also for prepayment on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

Each defined term used in this Note shall have the meaning ascribed thereto in Section 1.2 of the Loan Agreement.

The Company expressly waives presentment, demand, protest, and notice of dishonor.

The Company authorizes any attorney-at-law to appear in any court of record in the State of Ohio or any other state or territory in the United States after this Note becomes due, whether by lapse of time or acceleration, waive the issuance and service of process, admit the maturity of this Note, confess judgment against the Company in favor of any holder of this Note for the amount then appearing due hereon together with interest thereon and costs of suit, and thereupon release all errors and waive all rights of appeal and stay of execution. The foregoing warrant of attorney shall survive any judgment, and if any judgment be vacated for any reason, the holder hereof nevertheless may thereafter use the foregoing warrant of attorney to obtain any additional judgment or judgments against the Company.

The Company acknowledges that this Note was signed in _____
County, in the State of Ohio.

WARNING - BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT
TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU
WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT
FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER
FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE
AGREEMENT, OR ANY OTHER CAUSE.

COMPANY: VICTORIO COMPANY

By: _____

Title: _____

EXHIBIT C

SECURITY INSTRUMENTS

Security Agreement, dated July 24, 1991, by and between
Victorio Company and Society National Bank.

Subordination Agreement, dated July 24, 1991, by and between
Louis A. Vitantonio and Society National Bank.

Personal Guaranty, dated July 24, 1991, by Louis A. Vitantonio,
as guarantor.

SECURITY AGREEMENT

ACCOUNTS RECEIVABLE, INVENTORY, AND EQUIPMENT

On this 24th day of July, 1991, Borrower and Bank (as herein defined), in consideration of the premises, and the covenants and agreements contained herein, hereby mutually agree as follows:

1. DEFINITIONS

"Account", "Chattel Paper", "Consumer Goods", "Deposit Account", "Document", "Farm Products", "General Intangible", "Goods", "Instrument", and "Proceeds" have the meanings as set forth in Ohio Revised Code Sections 1309.01-1309.50 inclusive, including any amendments thereof and any substitutions therefor, which definitions are hereby incorporated by reference as though fully rewritten herein.

"Account Debtor" means the Person who is obligated on an Account Receivable.

"Account Receivable" means:

- (a) any account receivable, Account, Chattel Paper, General Intangible, Document, or Instrument owned, acquired, or received by a Person,
- (b) any other indebtedness owed to or receivable owned, acquired, or received by a Person of whatever kind and however evidenced, and
- (c) any right, title, and interest in a Person's Goods which were sold, leased, or furnished by that Person and gave rise to either (a) or (b) above, or both of them. This includes, without limitation,
 - (1) any rights of stoppage in transit of a Person's sold, leased, or furnished Goods,
 - (2) any rights to reclaim a Person's sold, leased, or furnished Goods, and
 - (3) any rights a Person has in such sold, leased, or furnished Goods that have been returned to or repossessed by that Person.

"Accounts Receivable Collection Account" means a commercial Deposit Account maintained by Borrower with Bank, without liability by Bank to pay interest thereon, from which account Bank shall have the exclusive right to withdraw funds until all Obligations are paid, performed, and observed in full.

"Bank" means SOCIETY NATIONAL BANK, a national banking association whose principal office is located at 800 Superior Avenue, Cleveland, Ohio 44114.

"Borrower" means VICTORIO COMPANY, a corporation incorporated under the laws of the State of Ohio.

"Borrower's Location" means the location of:

- (a) Borrower's place of business, if there is only one such place of business, or
- (b) if there is more than one place of business, the place (1) from which Borrower manages the main part of its business operations, and (2) where Persons dealing with Borrower would normally look for credit information.

"Cash Security" means all cash, Instruments, Deposit Accounts, and other cash equivalent, whether matured or unmatured, whether collected or in the process of collection, upon which Borrower presently has or may hereafter have any claim, that are presently or may hereafter be existing or maintained with, issued by, drawn upon, or in the possession of Bank.

"Collateral" means:

- (a) all of Borrower's Accounts Receivable, whether now owned or hereafter acquired or received by Borrower,
- (b) all of Borrower's Inventory, whether now owned or hereafter acquired by Borrower,
- (c) all of Borrower's Equipment, whether now owned or hereafter acquired by Borrower,
- (d) all of Borrower's Cash Security, and
- (e) all of the Proceeds, products, profits, and rents of each Borrower's Accounts Receivable, Inventory, Equipment, and Cash Security.

"Equipment" means:

- (a) any equipment, including without limitation, machinery, office furniture and furnishings, tools, dies, jigs, and molds,
- (b) all Goods that are used or bought for use primarily in a Person's business,
- (c) all Goods that are not Consumer Goods, Farm Products, or Inventory, and
- (d) all substitutes or replacements for, and all parts, accessories, additions, attachments, or accessions to (a) to (c) above.

"Event of Default" means the occurrence of any of the events set forth in Section 7 of the Security Agreement.

"Financial Impairment" means the distressed economic condition of a Person manifested by any one or more of the following events:

- (a) bankruptcy or insolvency of the Person;
- (b) the Person ceases, is unable, or admits in writing its inability, to make timely payment upon the Person's debts, obligations, or liabilities as they mature or come due;
- (c) general assignment by the Person for the benefit of creditors;
- (d) Person entering into any composition or arrangement with the creditors;

- (e) proceedings are instituted by or against a Person for the appointment of any receiver, trustee, or liquidator (1) of or for the Person or (2) of or for all or any substantial part of the Person's property;
- (f) proceedings are authorized or instituted by or against a Person under any bankruptcy, reorganization, readjustment of debt, insolvency, dissolution, liquidation, or other similar law of any jurisdiction.

"Inventory" means:

- (a) any inventory,
- (b) all Goods that are raw materials,
- (c) all Goods that are work in process,
- (d) all Goods that are materials used or consumed in the ordinary course of a Person's business,
- (e) all Goods that are, in the ordinary course of a Person's business, held for sale or lease or furnished or to be furnished under contracts of service, and
- (f) all substitutes and replacements for, and parts, accessories, additions, attachments, or accessions to (a) to (e) above.

"Loan Agreement" means the Revolving Credit and Term Loan Agreement dated as of July 24, 1991, executed by and between Borrower and Bank, evidencing an extension of credit by Bank to Borrower in the aggregate amount of Three Million Dollars (\$3,000,000), and including any partial or total amendment, renewal, restatement, extension, or substitution thereof or therefor.

"Obligations" means any of the following obligations, whether direct or indirect, absolute or contingent, secured or unsecured, matured or unmatured, originally contracted with Bank or another Person, and now or hereafter owing to or acquired in any manner partially or totally by Bank or in which Bank may have acquired a participation, contracted by Borrower alone or jointly or severally with another Person:

- (a) any and all indebtedness, obligations, liabilities, contracts, indentures, agreements, warranties, covenants, guaranties, representations, provisions, terms, and conditions of whatever kind, now existing or hereafter arising, and however evidenced, that are now or hereafter owed, incurred, or executed by Borrower to, in favor of, or with Bank (including, without limitation, those as are set forth or contained in, referred to, evidenced by or executed with reference to, Loan Agreement, the Security Agreement, the Promissory Note, any letter of credit agreements, advance agreements, indemnity agreements, guaranties, lines of credit, mortgage deeds, security agreements, assignments, pledge agreements, hypothecation agreements, Instruments, and acceptance financing agreements), and including any partial or total extension, restatement, renewal, amendment, and substitution thereof or therefor.

- (b) any and all claims of whatever kind of Bank against Borrower, now existing or hereafter arising, including, without limitation, any arising out of or in any way connected with warranties made by Borrower to Bank in connection with any Instrument deposited with or purchased by Bank;
- (c) any and all of Bank's Related Expenses.

"Organization" and "Person" have the meanings as set forth in Ohio Revised Code Section 1301.01, including any amendments thereof and any substitutions therefor, which definitions are hereby incorporated by reference as though fully rewritten herein.

"Promissory Note" collectively means the promissory note titled "Credit Note", dated July 24, 1991, in the aggregate amount of Two Million Dollars (\$2,000,000), executed pursuant to the Loan Agreement, and including any partial or total amendment, renewal, restatement, extension, or substitution of or for such note, and the Promissory Note titled "Revolving Credit Note" dated July 24, 1991, in the aggregate amount of One Million Dollars (\$1,000,000), executed pursuant to the Loan Agreement, and including any partial or total amendment, renewal, restatement, extension, or substitution of or for such Note.

"Related Expenses" means any and all costs, liabilities, and expenses (including, without limitation, losses, damages, penalties, claims, actions, reasonable attorney's fees, legal expenses, judgments, suits, and disbursements) incurred by, imposed upon, or asserted against, Bank in any attempt by Bank:

- (a) to obtain, preserve, perfect, or enforce the security interest evidenced by (i) the Security Agreement, or (ii) any other pledge agreement, mortgage deed, hypothecation agreement, guaranty, security agreement, assignment, or security instrument executed or given by Borrower to or in favor of Bank,
- (b) to obtain payment, performance, and observance of any and all of the Obligations,
- (c) to maintain, insure, collect, preserve, or upon any Event of Default, repossess and dispose of any of the Collateral, or
- (d) incidental or related to (a) through (c) above, including, without limitation, interest thereupon from the date incurred, imposed, or asserted until paid at the rate payable upon the Promissory Note, but in no event greater than the highest rate permitted by law.

"Security Agreement" means this agreement between Borrower and Bank, and including any partial or total amendment, renewal, restatement, extension, or substitution of or for such agreement.

1. SECURITY INTEREST IN COLLATERAL

In consideration of and as security for the full and complete payment, performance, and observance of all Obligations, Borrower does hereby (a) grant to Bank a security interest in the Collateral, and (b) assign to Bank all of its right, title, and interest (including, without limitation, all rights to

payment) arising under or with respect to all of Borrower's Accounts Receivable, whether now owned or hereafter acquired or received by Borrower but not including any duty, obligation, or liability of Borrower with respect thereto.

3. WARRANTIES

Borrower represents and warrants to Bank (which representations and warranties shall survive the execution of the Loan Agreement, the delivery of the Promissory Note, and the extension of credit) that:

- (a) The execution, delivery, and performance hereof are within Borrower's corporate powers, have been duly authorized, and are not in contravention of law or the terms of Borrower's charter, by-laws, or regulations, or of any indenture, agreement, or undertaking to which Borrower is party or by which it is or may be bound;
- (b) Except for any security interest granted to or in favor of Bank, Borrower is, and as to Collateral to be acquired after the date hereof will be, the owner of the Collateral free from any claim, lien, encumbrance, or security interest of any type, and Borrower agrees that it will defend, at its sole expense, the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein;
- (c) Subject to any limitation stated herein or in connection herewith, all information furnished to Bank concerning Borrower or the Collateral, is or will be at the time such information is furnished, accurate and correct in all material respects and complete insofar as is necessary to give Bank true and accurate knowledge of the subject matter;
- (d) Borrower is the lawful owner of and has full and unqualified right to transfer a security interest in all of the Collateral to Bank. Such Collateral is not and will not, so long as Borrower has any Obligations to Bank, be subject to any adverse financing statement, encumbrance, claim, lien, or security interest of any type except any granted to or in favor of Bank;
- (e) Borrower has places of business or maintains its Inventory and Equipment at the following location: 34355 Vokes Drive, Eastlake, Ohio 44095.
- (f) Borrower's Location: 34355 Vokes Drive, Eastlake, Ohio 44095.

Borrower undertakes, covenants, and agrees that, until the full and complete payment, performance, and observance of all Obligations, Borrower:

- (a) shall promptly provide Bank with prior written notification of:
 - (1) any change in any location where Borrower's Inventory or Equipment is maintained, and any new locations where Borrower's Inventory or Equipment is to be maintained,
 - (2) the location of any new places of business and the changing or closing of any of its existing places of business,
 - (3) any change in Borrower's name, and
 - (4) any change in Borrower's Location;
- (b) shall at all reasonable times allow Bank by or through any of its officers, agents, employees, attorneys, or accountants to:
 - (1) examine, inspect, and make extracts from Borrower's books and other records,
 - (2) examine and inspect Borrower's Inventory and Equipment wherever located, and
 - (3) arrange for verification of Borrower's Accounts Receivable under reasonable procedures, directly with Account Debtors or by other methods;
- (c) shall promptly furnish to Bank upon request:
 - (1) additional information and statements with respect to the Collateral,
 - (2) Borrower's Instruments, Chattel Paper, Documents, and any other writings relating to or evidencing any of Borrower's Accounts Receivable (including, without limitation, computer printouts or typewritten reports listing the current mailing address of all present Account Debtors), and
 - (3) any other writings and information Bank may request;
- (d) shall upon request of Bank promptly take such action and promptly make, execute, and deliver all such additional and further items, deeds, assurances, and instruments as Bank may require, including, without limitation, financing statements, so as to completely vest in and ensure to Bank its rights hereunder and in and to the Collateral;
- (e) if any of Borrower's Accounts Receivable arise out of contracts with or orders from the United States or any of its departments, agencies, or instrumentalities, shall immediately notify Bank in writing of same and shall execute any writing or take any action required by Bank with reference to the Federal Assignment of Claims Act,

- (f) hereby authorizes Bank or Bank's designated agent (but without obligation by Bank to do so) to incur Related Expenses (whether prior to, upon, or subsequent to any Event of Default), and Borrower shall promptly repay, reimburse, and indemnify Bank for any and all Related Expenses;
- (g) shall not, without the prior written consent of Bank grant any consensual or permit to exist any non-consensual mortgage, encumbrance, security interest, or other lien upon any Collateral except any granted to or in favor of Bank;
- (h) shall not use any Collateral in violation of any applicable statute, ordinance, or regulation.

5. COLLECTIONS AND RECEIPT OF PROCEEDS

- (a) Upon the occurrence of any Event of Default, after written notification thereof to Borrower, Bank, or Bank's designated agent, shall have the right and power (as Borrower's hereby constituted and appointed attorney-in-fact), which, being coupled with an interest, shall remain irrevocable until all Obligations are fully and completely paid, performed, and observed, at any time to:
 - (1) notify the Account Debtors on any or all of Borrower's Accounts Receivable of the Bank's security interest in and assignment of those Accounts Receivable upon which the respective Account Debtors are liable, and to request from such Account Debtors, in Bank's name or in Borrower's name, information concerning the Accounts Receivable and amounts owing thereon,
 - (2) notify purchasers of any or all of Borrower's Inventory of Bank's security interest therein, and to request from such Persons, at any time, in Bank's name or in Borrower's name information concerning Borrower's Inventory and the amounts owing thereon by such purchasers,
 - (3) notify and require the Account Debtors on any or all of Borrower's Accounts Receivable to make payment upon such Accounts Receivable directly to Bank,
 - (4) notify and require purchasers of Borrower's Inventory to make payment of their indebtedness directly to Bank,
 - (5) receive, retain, acquire, take, endorse, assign, deliver, accept, and deposit, in Bank's name or Borrower's name, any and all of Borrower's cash, Instruments, Chattel Paper, Documents, Proceeds of Accounts Receivable, Proceeds of Inventory, collections of Accounts Receivable, and any other writings relating to any of the Collateral theretofore collected, received or retained by Borrower pursuant to Subsection 5(b) below or thereafter collected, received, or retained by Borrower,

- (6) exercise any and all of the rights granted Bank in Subsections 5(c) and 5(d) below, and
 - (7) take such other action with respect to any or all of the Collateral, in such manner and at such times, as Bank may deem advisable, including, without limitation, the following: collection, legal proceedings, compromises, settlements, adjustments, extensions, postponements, exchanges, releases, and sales.
- (b) Except as otherwise provided in Subsections 5(a), 5(c), or 5(d) Borrower is authorized (1) to collect and enforce, by all lawful means, all of Borrower's Accounts Receivable, and (2) to receive and retain, by all lawful means, any and all Proceeds of all of Borrower's Accounts Receivable and Inventory. Borrower shall hold, as trustee upon an express trust for Bank as beneficiary thereof, all such lawful collections of Accounts Receivable and all such lawful Proceeds of Accounts Receivable and Inventory received by Borrower. Any costs, liabilities, or expenses incurred by Borrower in the collection or enforcement of such Accounts Receivable, and in the receipt of Proceeds of Accounts Receivable and Inventory shall be borne solely by Borrower. Borrower as trustee shall not commingle such collections of Accounts Receivable and such Proceeds of Accounts Receivable and Inventory with any other property not held in trust for Bank; any property held or commingled with such collections of Accounts Receivable and such Proceeds of Accounts Receivable and Inventory is hereby conclusively established between Borrower and Bank to be collections of Accounts Receivable and Proceeds of Accounts Receivable and Inventory.
- (c) With respect to Borrower's Instruments, Documents, and Chattel Paper:
- (1) Upon Bank's written request, Borrower shall immediately deliver or cause to be delivered to Bank all of Borrower's Instruments, Chattel Paper, and Documents, appropriately endorsed either, at Bank's option, (i) to Bank's order, without limitation or qualification, or (ii) for deposit in the Accounts Receivable Collection Account. Bank, or Bank's designated agent, is hereby constituted and appointed Borrower's attorney-in-fact with authority and power to so endorse any and all Instruments, Documents, and Chattel Paper upon Borrower's failure to do so. Such authority and power, being coupled with an interest, shall be (i) irrevocable until all Obligations are paid, performed, and observed in full, (ii) exercisable by Bank at any time and without any request upon Borrower by Bank to so endorse, and (iii) exercisable in Bank's name or Borrower's name;
 - (2) Borrower hereby waives presentment, demand, notice of dishonor, protest, notice of protest, and any and all other similar notices with respect thereto, regardless of the form of any endorsement thereof;

- (j) Bank shall not be bound or obligated to take any action to preserve any rights therein against any prior parties thereto.
- (d) Upon Bank's written request, the lawful collection and enforcement of all of Borrower's Accounts Receivable and the lawful receipt and retention by Borrower of all Proceeds of all of Borrower's Accounts Receivable and Inventory shall be as Bank's agent. All such collections and Proceeds shall be remitted daily by Borrower to Bank in the form in which they are received by Borrower, either by mailing or by delivering such collections and Proceeds to Bank, appropriately endorsed for deposit in the Accounts Receivable Collections Account. Bank may, in its sole discretion, at any time and from time to time, apply all or any portion of the collected balance in the Accounts Receivable Collections Account (allowing two (2) days for collection and clearance of remittances) as a credit against Borrower's outstanding Obligations. If any remittance shall be dishonored, or if, upon final payment, any claim with respect thereto shall be made against Bank on its warranties of collection, Bank may charge the amount of such item against the Accounts Receivable Collections Account or any other Deposit Account maintained by Borrower with Bank, and, in any event, retain same and Borrower's interest therein as additional security for the Obligations. Bank may, in its sole discretion, at any time and from time to time, release funds from the Accounts Receivable Collections Account to Borrower for use in Borrower's business. The balance in the Accounts Receivable Collections Account may be withdrawn by Borrower upon termination of the Security Agreement in accordance with Subsection 9(d). At Bank's written request, Borrower will cause all remittances representing all collections and all Proceeds of Borrower's Accounts Receivable and Inventory to be mailed to a lock box in Cleveland, Ohio, to which Bank shall have access for the processing of such items in accordance with the provisions, terms, and conditions of Bank's customary lock box agreement.

6. INSURANCE AND USE OF INVENTORY AND EQUIPMENT

- (a) Until any Event of Default:
- (1) Borrower may retain possession of and use its Equipment and Inventory in any lawful manner not inconsistent with any applicable terms, conditions, and provisions of:
 - (i) the Security Agreement,
 - (ii) the Loan Agreement, and
 - (iii) any insurance policy thereon.
 - (2) Borrower may sell or lease its Inventory in the ordinary course of business; provided, however, that a sale or lease in the ordinary course of business does not include a transfer in partial or total satisfaction of a debt, except for transfers in satisfaction of partial or total purchase money prepayments by a buyer in the ordinary course of

Borrower's business. Until any Event of Default, Borrower may also use and consume any raw materials or supplies, the use and consumption of which are necessary in order to carry on Borrower's business.

- (b) Borrower shall obtain, and at all times maintain, insurance upon its Inventory and Equipment in such form, written by such companies, in such amounts, for such period, and against such risks as may be acceptable to Bank, with provisions satisfactory to Bank for payment of all losses thereunder to Bank and Borrower as their interests may appear (loss payable endorsement in favor of Bank), and, if required by Bank, Borrower will deposit the policies with Bank. Any such policies of insurance shall provide for no less than ten (10) days prior written cancellation notice to Bank. Any sums received by Bank in payment of insurance losses, returns, or unearned premiums under the policies may, at the option of Bank, be applied upon any Obligation whether or not the same is then due and payable, or may be delivered to Borrower for the purpose of replacing, repairing, or restoring its Inventory or Equipment. Borrower hereby assigns to Bank any return or unearned premium which may be due upon cancellation of any such policies for any reason and directs the insurers to pay Bank any amount so due. Bank, or Bank's designated agent, is hereby constituted and appointed Borrower's attorney-in-fact (either in the name of Borrower or in the name of the Bank) to make adjustments of all insurance losses, sign all applications, receipts, releases, and other papers necessary for the collection of any such loss, and any return of unearned premium, execute proof of loss, make settlements, and endorse and collect all Instruments payable to Borrower or issued in connection therewith. Notwithstanding any action by Bank hereunder, any and all risk of loss or damage to Borrower's Inventory and Equipment to the extent of any and all deficiencies in the effective insurance coverage thereof is hereby expressly assumed by Borrower.

7. EVENTS OF DEFAULT

Upon the occurrence of any one or more of the following Events of Default, any and all Obligations shall, at the option of Bank and notwithstanding any period of time permitted or allowed by any writing evidencing an Obligation, become immediately due and payable without notice, demand, protest, or presentment, all of which are hereby expressly waived by Borrower:

- (a) Failure of Borrower to promptly pay, perform, or observe when due, whether upon demand, at maturity, by acceleration, or otherwise, any of the Obligations;
- (b) Failure of Borrower to promptly pay, perform, satisfy, or observe when due, whether upon demand, at maturity, by acceleration, or otherwise, or any event which either results in or would result in (but for waiver by the holder(s) or trustee(s) thereof) the

acceleration of the maturity of, any or all of the indebtedness, obligations, liabilities, contracts, indentures, and agreements, (including, without limitation, any and all warranties, covenants, guaranties, provisions, terms, and conditions set forth or contained therein) of whatever kind and however evidenced, owed, incurred, or executed by Borrower, to, in favor of, or with any and all other Persons, and including any partial or total extension, renewal, amendment, restatement, and substitution thereof or therefor;

- (c) Any warranty, representation, or statement made or furnished to Bank in connection with the Security Agreement, Loan Agreement, Promissory Note, or any other writing evidencing or given as security for any of the Obligations by or on behalf of the Borrower proves to have been false in any material respect when made, furnished; or at any time thereafter;
- (d) Bank shall deem itself insecure in good faith believing that the prospect of payment, performance, or observance of any of the Obligations herein secured is impaired;
- (e) Loss, damage, theft, destruction, levy, seizure, or attachment to, of, or upon any of the Collateral, including any attempt to accomplish the foregoing;
- (f) Sale, lease, transfer, assignment, encumbrance, or other disposition of any of the Collateral, without Bank's prior written authorization therefor, including any attempt to accomplish the foregoing;
- (g) Financial Impairment of Borrower;
- (h) Financial Impairment of any endorser, guarantor, or surety upon or for any of the Obligations.

8. RIGHTS AND REMEDIES UPON EVENT OF DEFAULT

Upon the occurrence of any such Event of Default and at all times thereafter, Bank shall have the rights and remedies of a secured party under the Ohio Uniform Commercial Code in addition to the rights and remedies provided elsewhere within the Security Agreement or in any other writing executed by Borrower. Bank may require Borrower to assemble the Collateral and make it available to Bank at a reasonably convenient place to be designated by Bank. Unless the Collateral is perishable, threatens to decline speedily in value, or is of a type customarily sold on a recognized market, Bank will give Borrower reasonable notice of the time and place of any public sale of the Collateral or of the time after which any private sale or other intended disposition thereof is to be made. The requirement of reasonable notice shall be met if such notice is mailed (deposited for delivery, postage prepaid, by U.S. mail) to either, at Bank's option, (1) Borrower's Location set forth in Subsection 3(f) of the Security Agreement (as modified by any change therein

which Borrower has supplied in writing to Bank) or (2) Borrower's address at which Bank customarily communicates with Borrower, at least ten (10) days before the time of the public sale or the time after which any private sale or other intended disposition thereof is to be made. At any such public or private sale, Bank may purchase the Collateral. After deduction for Bank's Related Expenses, the residue of any such sale shall be applied in satisfaction of the Obligations in such order of preference as Bank may determine. Any excess, to the extent permitted by law, shall be paid to Borrower, and Borrower shall remain liable for any deficiency.

9. GENERAL

- (a) If any provision, term, or portion, of the Security Agreement, (including, without limitation, (1) any indebtedness, obligation, liability, contract, agreement, indenture, warranty, covenant, guaranty, representation, or condition of the Security Agreement made, assumed, or entered into, (2) any act or action taken under the Security Agreement, or (3) any application of the Security Agreement) is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other such provision, term, or portion of the Security Agreement, each of which shall be construed and enforced as if such illegal or invalid provision, term, or portion were not contained in the Security Agreement. Any illegality or invalidity of any application of the Security Agreement shall not affect any legal and valid application of the Security Agreement, and each provision, term, and portion of the Security Agreement shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.
- (b) Bank shall not be deemed to have waived any of Bank's rights hereunder or under any other writing executed by Borrower unless such waiver be in writing and signed by Bank. No delay or omission on part of Bank in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All Bank's rights and remedies, whether evidenced hereby or by any other writing shall be cumulative and may be exercised singularly or concurrently. Any written demands, written requests, or written notices to Borrower that Bank may elect to give shall be effective when deposited for delivery, postage prepaid, by U.S. mail, and addressed either, at Bank's option, to (1) Borrower's Location set forth in Subsection 3(f) of the Security Agreement (as modified by any change therein which Borrower has supplied in writing to Bank) or (2) Borrower's address at which Bank customarily communicates with Borrower. If at any time or times, by assignment or otherwise, Bank transfers any of the Obligations or any part of the Collateral to another person, such transfer shall carry with it Bank's powers and rights under this Agreement with respect to the Obligation or Collateral so transferred and the transferee shall have said powers and

rights, whether or not they are specifically referred to in the transfer. To the extent that Bank retains any other of the Obligations or any part of the Collateral, Bank will continue to have the rights and powers herein set forth with respect thereto.

- (c) The laws of the State of Ohio shall govern the construction of the Security Agreement (including, without limitation, any terms not specifically defined in the Security Agreement that may be so specifically defined pursuant to Ohio Revised Code Sections 1309.01-1309.50 inclusive, and including any amendments thereof or any substitution therefor) and the rights and duties of the parties hereto. The Security Agreement shall be binding upon and inure to the benefit of Borrower and Bank and their respective successors and assigns. The rights and powers herein given to the Bank are in addition to those otherwise created or existing in the same Collateral by virtue of other agreements or writings.
- (d) The term of the Security Agreement shall commence with the date hereof and shall continue until terminated by either Borrower or Bank. Borrower may terminate the Security Agreement by giving Bank not less than thirty (30) days prior written notice thereof and by paying, performing, and observing all of the Obligations in full on or before such termination date.
- (e) In the Security Agreement, unless the context otherwise requires, words in the singular number include the plural and words in the plural number include the singular.
- (f) Borrower hereby releases Bank from and agrees to indemnify and hold harmless Bank, and its officers, agents, and employees for any and all claims of Borrower or any other Person for damage or loss caused by any act or acts hereunder or in furtherance hereof whether by omission or commission, and whether based upon any error of judgment or mistake of law or fact (except willful misconduct) on the part of Bank, or its officers, agents, and employees.
- (g) Bank has the right, in addition to all other rights and remedies available to it, to set off at any time the unpaid balance of the Promissory Note and any other Obligations against any indebtedness owing Borrower by Bank, including, without limitation, all Cash Security.
- (h) Bank is hereby authorized to fill in all blank spaces herein, to correct patent errors herein, to complete or correct the description of the Collateral, and to date the Security Agreement.
- (i) Except as expressly authorized in the Security Agreement, Bank's right to Proceeds specifically set forth herein or indicated in

any financing statement shall never constitute an express or implied authorization on the part of Bank to Borrower's sale, exchange, collection, or other disposition of any or all of the Collateral.

IN WITNESS WHEREOF, the parties hereto have caused the Security Agreement to be executed on the day and year first above written.

BORROWER:

VICTORIO COMPANY

By: 

Title: President

BANK:

SOCIETY NATIONAL BANK

By: 

Title: Banking Officer

AMENDMENT TO LOAN AGREEMENT

WHEREAS, VITANTONIO MFG. CO., formerly known as Victorio Company ("Company") and SOCIETY NATIONAL BANK ("Bank") are parties to a certain Revolving Credit and Term Loan Agreement dated July 24, 1991 ("Loan Agreement") and

WHEREAS, Company and Bank have agreed to amend the Loan Agreement.

NOW, THEREFORE, for valuable consideration received to their satisfaction, Company and Bank mutually agree as follows:

1. Section 1.2 of the Loan Agreement is amended by deleting "April 30, 1993" from subpart (i) of the definition of Termination Date and inserting "April 30, 1995" in lieu thereof.

2. Section 2.1(a) of the Loan Agreement is amended by deleting "\$2,000,000" from the fourth line thereof and inserting "\$2,500,000" in lieu thereof.

3. Section 5.1(b) of the Loan Agreement is deleted in its entirety and the following paragraph is inserted in lieu thereof:

(b) As soon as practicable after the end of each fiscal year, and in any event within ninety (90) days thereafter, a balance sheet of the Company as of the end of such year, and statements of cash flows, changes in financial position, and shareholders' equity of the Company for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and accompanied by a report and an unqualified opinion of independent certified public accountants of recognized standing, selected by the Company and satisfactory to the Bank, which report and opinion shall be prepared in accordance with generally accepted auditing standards, together with a certificate by such accountants (i) briefly setting forth the scope of their examination (which shall include a review of the relevant provisions of this Agreement) and stating that in their judgment such examination is sufficient to enable them to give the certificate and (ii) stating whether their examination has disclosed the existence of any condition or event which constitutes an Event of Default or Potential Default under this Agreement, and, if their examination has disclosed such a condition or event, specifying the nature and period of existence thereof;

4. Section 6.8 of the Loan Agreement is deleted in its entirety and the following paragraph is inserted in lieu thereof:

Section 6.8. Tangible Net Worth. The Company will not permit the aggregate of its Tangible Net Worth plus Subordinated Debt to be less than \$1,600,000 at any time during the period commencing July 24, 1991 through and including December 30, 1991; \$1,950,000 at any time during the period commencing from December 31, 1991 through and including December 30, 1992; \$2,150,000 at any time during the period commencing December 31, 1992 through and including December 30, 1993; \$2,800,000 at any time during the period commencing December 31, 1993 through and including December 30, 1994; and \$3,100,000 at any time during the period commencing December 31, 1994 and thereafter.

5. Section 6.11 of the Loan Agreement is deleted in its entirety and the following paragraph is inserted in lieu thereof:

Section 6.11. Ratio of Total Liabilities to Tangible Net Worth. The Company will not permit the ratio of its total liabilities less Subordinated Debt to the sum of its Tangible Net Worth plus total Subordinated Debt, calculated at the same point in time, to be at any time more than 2.25 to 1.00 commencing from July 24, 1991 to and including December 30, 1992, 2.00 to 1.00 from December 31, 1992 to and including December 30, 1993, and 1.75 to 1.00 from December 31, 1993 and thereafter.

6. Company shall pay to Bank a modification fee of \$2,500 and all of Bank's costs and expenses incurred in documenting this Amendment to Loan Agreement, including Bank's in-house legal fees, upon the execution hereof.

7. Except as otherwise specifically provided in this instrument, the provisions of this instrument shall be effective on August 6, 1993.

8. Except as amended by this instrument, all provisions of the Loan Agreement are ratified and confirmed and shall remain in full force and effect.

9. Company hereby represents and warrants to Bank that (a) Company has the legal power and authority to execute and deliver this amendment; (b) the officials executing this amendment have been duly authorized to execute and deliver the same and bind Company with respect to the provisions hereof; (c) the execution and delivery hereof by Company and the performance and observance by Company of the provisions hereof do not violate or conflict with the organizational agreements of Company or any law applicable to Company or result in a breach of any provisions of or constitute a default under any other agreement, instrument or document binding upon or enforceable against Company; and (d) this amendment constitutes a valid and binding obligation upon Company in every respect.

IN WITNESS WHEREOF, Company and Bank have caused this instrument to be executed by their duly authorized officers on August 6, 1993.

COMPANY: VITANTONIO MFG. CO.

By: [Signature]
Title: President

And: _____
Title: _____

BANK: SOCIETY NATIONAL BANK

By: [Signature]
Title: Asst. Vice Pres

And: [Signature]
Title: S.B. VICE PRESIDENT

Consent of Guarantor

The undersigned, being a guarantor of the indebtedness, obligations, and liabilities of Vitantonio Mfg. Co., formerly known as Victorio Company, pursuant to the provisions of a certain Continuing Guaranty dated July 24, 1991, consents to the preceding Amendment to Loan Agreement and agrees that the provisions of such Continuing Guaranty are ratified and confirmed and remain in full force and effect.

[Signature]
Louis A. Vitantonio

BILL OF SALE

Products
SOCIETY NATIONAL BANK, a national banking association, 127 Public Square, Cleveland, Ohio ("Grantor"), for the consideration of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) received to its full satisfaction from KADEE, LTD., an Ohio limited liability company ("Grantee"), has bargained, sold, and conveyed, and hereby does bargain, sell, and convey to Grantee, its successors, and assigns all of Grantor's right, title, and interest in and to the personal property described on Exhibit "A" attached hereto and incorporated herein (the "Conveyed Assets").

TO HAVE AND TO HOLD the Conveyed Assets to Grantee, its successors, and assigns for their proper use.

GRANTOR EXPRESSLY DISCLAIMS AND EXCLUDES ANY AND ALL EXPRESS AND IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY AND ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. THE CONVEYED ASSETS ARE BARGAINED FOR, SOLD, AND CONVEYED "AS IS AND WHERE IS."

IN WITNESS WHEREOF, Grantor and Grantee hereby execute this Bill of Sale as of July 5, 1995.

SOCIETY NATIONAL BANK,
a national banking
association ("Grantor")

Products
KADEE, LTD., an Ohio
limited liability company
("Grantee")

By: Marvin S. Kodish
Marvin S. Kodish,
Vice President

By: [Signature]
[Signature] H. Mendenhall

The "Conveyed Assets" (as defined in the attached Bill of Sale) consist of all of the tangible and intangible personal property of Vitantonio Mfg. Co., an Ohio corporation ("Borrower") in which Society National Bank holds a perfected security interest, including, without limitation, the following:

- (a) All of Borrower's inventory, merchandise, raw materials, work in process, finished goods, goods that are materials used or consumed in the ordinary course of Borrower's business, and other tangible personal property held for sale or lease or furnished or to be furnished under contracts of service or used or consumed in Borrower's business, including any products thereof, and in contract rights with respect thereto;
- (b) All of Borrower's machinery, equipment, office furniture and furnishings, tools, dies, jigs, molds, and tangible personal property of every kind and description (except motor vehicles) wherever located;
- (c) All of Borrower's accounts, accounts receivable, contract rights, chattel paper and other obligations and receivables; and
- (d) All of Borrower's general intangibles, including borrower's goodwill, customer lists, and customer files.